

Senate File 555 - Introduced

SENATE FILE _____
BY ANGELO, BOETTGER, BEHN,
SEYMOUR, McKINLEY, ZAUN,
PUTNEY, McKIBBEN, WARD,
HAHN, JOHNSON, and WIECK

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of and disbursement from a
2 resident taxpayer rebate fund and including an effective date
3 provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2212XS 82
6 mg/je/5

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1 1 Section 1. Section 8.54, subsections 5 and 6, Code 2007,
1 2 are amended to read as follows:
1 3 ~~5. For fiscal years in which section 8.55, subsection 2,~~
~~1 4 results in moneys being transferred to the general fund, the~~
~~1 5 original state general fund expenditure limitation amount~~
~~1 6 provided for in subsection 3 shall be readjusted to include~~
~~1 7 the moneys which are so transferred.~~
1 8 ~~6.~~ 5. The scope of the expenditure limitation under
1 9 subsection 3 shall not encompass federal funds, donations,
1 10 constitutionally dedicated moneys, ~~and~~ moneys in expenditures
1 11 from state retirement system moneys, ~~and moneys disbursed from~~
1 12 ~~the resident taxpayer rebate fund pursuant to section 8.55A.~~

1 13 Sec. 2. Section 8.55, subsection 2, Code 2007, is amended
1 14 to read as follows:

1 15 2. a. The maximum balance of the fund is the amount equal
1 16 to two and one-half percent of the adjusted revenue estimate
1 17 for the fiscal year. If the amount of moneys in the Iowa
1 18 economic emergency fund is equal to the maximum balance,
1 19 moneys in excess of this amount shall be transferred to the
1 20 ~~general fund~~ resident taxpayer rebate fund established in
1 21 ~~section 8.55A.~~

1 22 b. Notwithstanding paragraph "a", any moneys in excess of
1 23 the maximum balance in the economic emergency fund after the
1 24 distribution of the surplus in the general fund of the state
1 25 at the conclusion of each fiscal year shall not be transferred
1 26 to the ~~general fund of the state~~ resident taxpayer rebate fund
1 27 but shall be transferred to the senior living trust fund. The
1 28 total amount appropriated, reverted, or transferred, in the
1 29 aggregate, under this paragraph, section 8.57, subsection 2,
1 30 and any other law providing for an appropriation or reversion
1 31 or transfer of an appropriation to the credit of the senior
1 32 living trust fund, for all fiscal years beginning on or after
1 33 July 1, 2004, shall not exceed the amount specified in section
1 34 8.57, subsection 2, paragraph "c".

1 35 Sec. 3. NEW SECTION. 8.55A RESIDENT TAXPAYER REBATE
2 1 FUND.

2 2 1. A resident taxpayer rebate fund is created in the state
2 3 treasury. The resident taxpayer rebate fund shall be separate
2 4 from the general fund of the state and shall not be considered
2 5 part of the general fund of the state. The moneys in the
2 6 resident taxpayer rebate fund are not subject to section 8.33
2 7 and shall not be transferred, used, obligated, appropriated,
2 8 or otherwise encumbered except as provided in this section.
2 9 Notwithstanding section 12C.7, subsection 2, interest or
2 10 earnings on moneys deposited in the resident taxpayer rebate
2 11 fund shall be credited to the fund. Moneys in the resident
2 12 taxpayer rebate fund may be used for cash flow purposes during
2 13 a fiscal year provided that any moneys so allocated are
2 14 returned to the resident taxpayer rebate fund by the end of
2 15 that fiscal year.

2 16 2. a. There is appropriated for a fiscal year in which

2 17 the fund balance reaches at least fifty million dollars to the
2 18 director of revenue the total sum in the fund to be used as
2 19 provided in paragraph "c".
2 20 b. By October 15 of the fiscal year, the director of
2 21 revenue shall identify individual income taxpayers who were
2 22 residents of the state as of the end of the calendar year
2 23 preceding the fiscal year in which the appropriation in
2 24 paragraph "a" is made.
2 25 c. By November 15 of the fiscal year, the director shall
2 26 issue rebates to each resident taxpayer identified in
2 27 paragraph "b". Each rebate shall be equal to a minimum of
2 28 twenty dollars. Each resident taxpayer shall receive the same
2 29 amount except that married persons filing jointly shall
2 30 receive twice the amount received by a single filer. If the
2 31 balance in the rebate fund is insufficient to provide a rebate
2 32 to each resident taxpayer of the minimum amount, the director
2 33 of revenue shall not provide any rebates during the fiscal
2 34 year.

2 35 3. a. In addition to the appropriation made in subsection
3 1 2, the moneys in the resident taxpayer rebate fund may be used
3 2 for cash flow purposes pursuant to an appropriation made by
3 3 the general assembly. The appropriation shall be made in
3 4 accordance with this subsection only for the fiscal year in
3 5 which the appropriation is made. The moneys shall only be
3 6 appropriated by the general assembly for nonrecurring
3 7 emergency expenditures and shall not be appropriated for
3 8 payment of any collective bargaining agreement or arbitrator's
3 9 decision negotiated or awarded under chapter 20. Except as
3 10 provided in section 8.58, the resident taxpayer rebate fund
3 11 shall be considered a special account for the purposes of
3 12 section 8.53 in determining the cash position of the general
3 13 fund of the state for the payment of state obligations.

3 14 b. Except as provided in subsection 2, an appropriation
3 15 shall not be made from the resident taxpayer rebate fund
3 16 unless the appropriation is in accordance with all of the
3 17 following:

3 18 (1) The appropriation is contained in a bill or joint
3 19 resolution in which the appropriation is the only subject
3 20 matter of the bill or joint resolution.

3 21 (2) The bill or joint resolution states the reasons the
3 22 appropriation is necessary.

3 23 c. In addition to the requirements of paragraph "b", an
3 24 appropriation shall not be made from the resident taxpayer
3 25 rebate fund unless the bill or joint resolution is approved by
3 26 vote of at least two-thirds of the members of both chambers of
3 27 the general assembly and is signed by the governor.

3 28 Sec. 4. Section 8.58, Code 2007, is amended to read as
3 29 follows:

3 30 8.58 EXEMPTION FROM AUTOMATIC APPLICATION.

~~3 31 To the extent that moneys appropriated under section 8.57~~
~~3 32 do not result in moneys being credited to the general fund~~
~~3 33 under section 8.55, subsection 2, moneys Moneys appropriated~~
3 34 under section 8.57 and moneys contained in the cash reserve
3 35 fund, rebuild Iowa infrastructure fund, environment first
4 1 fund, and Iowa economic emergency fund, and resident taxpayer
~~4 2 rebate fund~~ shall not be considered in the application of any
4 3 formula, index, or other statutory triggering mechanism which
4 4 would affect appropriations, payments, or taxation rates,
4 5 contrary provisions of the Code notwithstanding.
~~4 6 To the extent that moneys appropriated under section 8.57~~
~~4 7 do not result in moneys being credited to the general fund~~
~~4 8 under section 8.55, subsection 2, moneys Moneys appropriated~~
4 9 under section 8.57 and moneys contained in the cash reserve
4 10 fund, rebuild Iowa infrastructure fund, environment first
4 11 fund, and Iowa economic emergency fund, and resident taxpayer
~~4 12 rebate fund~~ shall not be considered by an arbitrator or in

4 13 negotiations under chapter 20.
4 14 Sec. 5. EFFECTIVE DATE. This Act takes effect January 1,
4 15 2008.

4 16 EXPLANATION

4 17 This bill establishes a resident taxpayer rebate fund.
4 18 Moneys in the economic emergency fund in excess of the limit
4 19 of the fund and after payment of certain amounts to the senior
4 20 living trust fund are to be deposited into the resident
4 21 taxpayer rebate fund. Present law requires such excess to be
4 22 deposited into the state general fund.

4 23 Once the balance of the resident taxpayer rebate fund
4 24 reaches \$50 million, the fund is to be rebated to the resident
4 25 income taxpayers determined as of the end of the previous
4 26 year. A minimum of \$20 per resident taxpayer is to be
4 27 refunded.

4 28 The bill allows the general assembly to make an
4 29 appropriation for cash flow purposes but only if the
4 30 appropriation is for nonrecurring emergency expenditures, made
4 31 for the fiscal year in which the appropriation is made, is the
4 32 only subject matter of the bill, and is approved by at least
4 33 two-thirds of the members of each house and signed by the
4 34 governor.
4 35 The bill takes effect January 1, 2008.
5 1 LSB 2212XS 82
5 2 mg:nh/je/5